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never be abandoned ; and combined with these measures, and as accessory to all of them, a better revenue system, which shall tax the people without overburdening them. Of some of these measures we shall speak in noticing other publications.

The concluding passages of the letter aver the confidence of the Secretary in the correctness of his past measures, and his purpose to adhere to the same policy in future ; through which he feels sure that he can bring the country out of present shadows into the sunlight of prosperity. They are as follows : —

“ I am as much persuaded as ever of the importance of an early return to specie payments, and of a reduction of the currency, as a means of checking extravagance and speculation, and of increasing production, without which all efforts to restore permanently the specie standard will be ineffectual. What the country needs, in order that specie payments may be resumed and maintained, and real prosperity secured, is an increase of industry, and a restoration of our former habits of economy. As a people, among ourselves, we must earn more and spend less. In our trade with foreign nations, we must sell more or buy less. Any different prescription for existing financial evils is, in my judgment, quackery. That contraction will tend to bring about this desirable condition of things, I have never doubted. . . . It has been my constant aim so to manage the national finances as to aid in bringing the country to a healthy financial condition, without being subjected to the severe disasters which many judicious persons have supposed a large debt, and the derangement of business, and the diminution of industry, occasioned by the war and a redundant currency, would render inevitable. My faith that this can be accomplished is unshaken. The causes which are now operating against us are exceptional and temporary. . . . The people are beginning again to comprehend this important truth, which seems to have been disregarded for some years past, that prosperity is the result of labor ; that industry and economy are indispensable to national, as well as to individual wealth. I shall be grievously disappointed if another year does not witness a large increase of industry, of enterprise, and of revenue, decided progress toward a resumption of specie payments, and a steady reduction of the public debt.”

3. — *On the Collection of Revenue.* By EDWARD ATKINSON. Boston : A. Williams & Co. May, 1867.

THIS is a valuable contribution to the free-trade side of the revenue controversy now going on in the United States ; more valuable, in one respect, than the elaborate treatises of Professor Perry and Mr. Amasa Walker, since the author is a practical manufacturer, and his branch of business — cotton-spinning — is one of those which, in the past, have especially demanded and received the benefits of a protective tariff.

Professor Perry, on the contrary, writes from the closet, with no experience of business, and only such knowledge as is derived from books. Having to teach political economy as a science, it is not unnatural that he seeks his inspiration in the works of those English and French masters who have made the most valuable contributions to its literature ; nor that, having begun by adopting their principles of free trade, he should afterwards endeavor to apply them to the experience of this country. What we conceive to be the error of Professor Perry and of the writers of his school is, that they treat political economy as an exact science, as unbending in its applications as the formulas of mathematics. In the practical statesman, however, who has to make laws in harmony with it, it falls far short of these conditions. While he is willing to recognize free trade, for example, as the abstract principle and the ultimately attainable good of civilization and commercial intercourse, he also perceives that it is subject to great diversities of application, having regard to national position and circumstances,—that it is so clearly allied with political institutions and social conditions as to make it extremely difficult to fix its exact boundaries. It is because economical writers so often disregard these differences of national condition, and endeavor to make all nations fill the Procrustean bed which is presented by their philosophy, that mere men of business deny altogether its authority, and fall into the opposite error of supposing that there is no philosophy of business, as there is admittedly a philosophy of morals and a philosophy of politics. Mr. Amasa Walker writes from a different stand-point. Though he now occupies the lecturer's chair in one of our leading colleges, he did not learn his political economy there. His early and middle life was spent in business. But, as we explained in our January number, when noticing his "Science of Wealth," he probably owes his free-trade opinions to political and to personal accidents. He was a Democrat long before he could have thought anything about political economy ; and because the seat of Democratic supremacy was in the agricultural South and West, while that of the Whigs was in the manufacturing States of the North and East, free trade was the not unnatural outgrowth of local and political antagonisms. But, besides this, Mr. Walker was a shoe manufacturer, and his business never required the fostering care of legislation ; and it is not unreasonable to suppose that the early managers of this business may have looked with some jealousy upon the superior wealth and influence of the cotton manufacturers, who so long controlled the industry and politics of New England.

Mr. Atkinson was, however, bred in the opposite school. He was educated in the faith of Mr. Webster and the Whig party of Massachu-

setts, and he served his apprenticeship in cotton-spinning at a time when the necessity of a protective tariff was an axiom both of his profession and of his party. What, then, has brought him out of darkness into his present light? In this case, again, we think the conversion is historical rather than logical. We do not for a moment doubt the sincerity of Mr. Atkinson's convictions, any more than we doubt the sincerity of Mr. Amasa Walker or Professor Perry; but it may help us to put a just value on their opinions, if we know how they arrived at them. Long anterior to the war, it had been discovered that, in the manufacture of coarse cotton, we could compete with England, and even supplant her in the markets of South America, China, and her own East Indian colonies. When this point had been reached, there was obviously no further need of a protective tariff on that class of goods; and little by little, by more intelligent and diligent service, and by swifter and better machinery, we were overcoming the advantage which Europe still enjoys, in cheaper capital and more abundant labor, in the production of all classes of cotton fabrics. The cotton manufacturers of New England had, therefore, before the war, passed into the category of low-tariff men, which is the first step in the natural progress towards free trade. This was before we had any excise laws, when cotton, coal, oil, and starch were untaxed raw materials, and when there was no monthly tax on sales, and no periodical tithing of profits and dividends. But the war put an entirely new face on this business. Its first effect was not merely to put an end to the creation of new spindles, but to close many of the existing mills. This, added to the sudden rise of the raw material caused by the cotton famine, and the corresponding advance of goods, gave prodigious profits to those mills which had great stocks of cotton when the war began, or which bought and worked it up on an advancing market. The whole cotton interest of New England could well afford to let the mills lie idle for the next five years, so great were the profits during the war. But it is quite a different matter to run these mills on a declining market, with a scale of wages which it is hard to reduce without driving the laborers to a strike, and which is yet much higher than the manufacturer can afford to pay, with constantly recurring taxes, and with a piling up of goods which nobody will buy beyond his barest wants, in the hope of seeing them still lower. If Mr. Atkinson could live and thrive under a low tariff, how is he helped by a high one, which entails a corresponding scale of inland taxes? Can we wonder that he now expresses himself in these terms?

“As some surprise has been expressed that these views should emanate from a manufacturer of cotton goods, I will add that I believe a gradual and judi-

cious reduction of the duties upon foreign commodities, in the manner proposed, — *of course preceded by an entire abolition of the internal taxes upon manufactures*, — will result in a more permanent and uniform condition of prosperity in the manufacture of textile fabrics, as well as of all other commodities, than we have ever yet enjoyed."

We are not prepared to deny the justice of this conclusion as applied to Mr. Atkinson's own business, and the same may probably be said of most of the established industries of the country. But from this it by no means follows, as a necessary conclusion, that protection was never necessary, and that the whole past theory of our legislation is a mistake. Because his ankles are now strong, he despises crutches, and thinks if the doctors had let him alone he could have run a race with the older boys earlier and better than he has been able to do. This may possibly be true, and we are willing to admit that there is much danger of permanent lameness by too long refusing to trust the ankles with the weight which they must ultimately bear. We cannot but distrust, however, this *ex post facto* reasoning, which would reconstruct the past on principles which seem to us to owe their present pertinency to new elements which have entered into our national condition. Is it proved by Mr. Atkinson's experience that protection was never necessary to cotton-spinners, and that it is not necessary still to certain industries? We do not propose to follow him through the *a priori* reasonings which lead him to this conclusion, for to do so would be to write a criticism of Adam Smith and Bastiat and Professor Perry. We simply say that, taking lessons out of history, there is no national experience which convicts the American people of error in following their traditional policy of protection. The example of Great Britain is not in point; for, as Mr. Bigelow most clearly established in his book on the tariff, published in 1860, the free-trade measures of Great Britain were based on principles of the purest selfishness. In repealing the customs duties on foreign manufactures, England sacrificed nothing, for the revenue derived from them hardly paid the cost of collection. They were the chrysalis shell which was no longer needed to protect the expanding life of her manufactures, and which must be broken before she could expand her wings for a flight over the whole world. The essence of British free trade lay not in the repeal of duties on foreign manufactures, but on foreign cotton, foreign corn, and the commerce of foreign ships. All these repeals were necessary to cheapen the cost of those articles which she produces for the consumption of other nations, and on which her prosperity, both as a manufacturing and as a commercial people, wholly depends. By these measures she did not open her home markets more freely to competitors,

but more effectually closed them, by reducing the cost of production to so low a point as to make competition on her own soil impossible. In the single article of silk, where France had great natural as well as acquired advantages over her, she retained the duty on the foreign manufacture; and it continued as high as fifteen per cent up to the French treaty of 1860, when it had to yield to the superior influence of iron and coal, and submit to a prospective repeal. Great Britain has a small territory and a dense population, too poor to consume the products of her industry. Hence she has to depend on foreign markets. Her insular position, and the commercial supremacy to which it has given rise, have made her the great broker of the world, — doing everybody's business, and taking commissions from every other nation. The first study of the British government is to foster British trade, and this is especially the guiding principle of its diplomacy.

It is a noteworthy fact, however, that, with all an Englishman's loyalty to home ideas, and in the expatriated Englishman it rises to the height of a fanaticism, the British colonies have uniformly resisted free trade with the mother country. The Economist tried to account for this, a few years ago, by saying that there was "something or other in the English mind, — a want, perhaps, of sympathy with the special difficulties of other nations," (which we conceive to be a delicate way of expressing a selfish indifference to and disregard of the interests of other nations,) — "which prohibits its favorite ideas from spreading." So that although "a partial advance towards a sound policy has been made in France, under the influence of the Emperor, in America, the Canadas, Australia, and the Anglo-Saxon colonies, the belief in protection seems to have acquired a new and stronger vitality." But in analyzing the cause of this belief, the writer is compelled to admit that "the primary axiom of free trade is not, for colonies, a pleasant one. That axiom declares it advantageous for every country to produce those things for which it has special natural advantages. The axiom prevents waste of power, but, as applied to our colonies, it also produces *sameness of occupation*." Therefore it is, that the colony of Victoria elects a protectionist Parliament, for says the Australian, "Though we may be richer by digging gold and keeping shop, we prefer a varied society, even if comparatively poor, to a simple society, even if comparatively rich." Now this reasoning applied with even greater force to the early condition of the United States, and it is measurably applicable still. Not only was it important to secure variety of occupation for the sake of its civilizing influence on a young society, but it was indispensable, also, to secure the power and habit of self-dependence for a young and rising nation. The same instincts which, accord-

ing to John Stuart Mill, justified Great Britain in building up her mercantile marine, as against the Dutch, by the Navigation Laws, justified the United States in fostering her infant manufactures and her struggling iron trade by a protective tariff. Where would the nation have been in the late war if it had depended on Europe for iron ships, or for the varied products of our textile manufacture? How much easier it would have been to strangle the nation, as European governments would have rejoiced to do, if we had been tied to them by such humiliating conditions! Nor, in this connection, shall we forbear to quote that broader justification of a protective policy, which Mr. Mill admits to exist, "in a new country, as a means of naturalizing a branch of industry in itself suited to the country, but which would be unable to establish itself there without some form of temporary assistance from the state." We are willing to limit the right of protection to such industries; for we admit the impolicy of fostering those which are against nature, and which, being essentially exotic, can never become rooted in our soil, or bear the rigors of our climate. But this cannot be said of any of the leading industries of America hitherto protected. What can be more perfectly "suited to the country" than the development of the mines which so richly underlie the surface of our continent, — than to convert the native iron into machinery to manufacture the native wool, — than to spin the cotton for which, in its native state, the world has depended chiefly on ourselves? Mr. Mill has, it is true, recently denied the applicability of his exception to the present condition of our protected industries; but he does not recall the principle involved in it, though he has been freely criticised by his followers in England for ever admitting it. The application of the principle is for us to make, and no foreign author or statesman can possibly decide for us in this matter so wisely as we can decide ourselves.

We differ, therefore, with Mr. Atkinson, because he denies that protection was ever necessary to the United States, or has ever done any good here. He has fallen into the common error of treating the world as though it was one nation, and not a competing family of nations; as if it enjoyed equal laws and a common civilization, instead of representing all degrees of liberty and despotism in government, and of intelligence and barbarism in society. Mr. Mill admits the actual refracting influence on his favorite science, when he says, "There can be no doubt that, in the present state of international morality, a people cannot, any more than an individual, be blamed for not starving itself to feed others."

But in spite of this radical difference, we find more to praise than to object to in Mr. Atkinson's essay. It is a desultory paper, without much

logical order or cohesion of parts ; but it discusses a great many of the current questions about revenue and taxation and the currency in a direct and practical way, which is well calculated to arrest attention and carry influence. The old distinction between protection for the sake of protection, and protection as incident to revenue, is not likely to recur with the present state of necessary taxation. Any tariff which is agreed upon will necessarily be predicated upon revenue ; but within the limits of a revenue tariff there is wide room for that incidental protection which is claimed by the several industries. No protectionist will dare to ask more than this, but even this is much more than Mr. Atkinson and the free-traders are disposed to grant. He would bring us as speedily as possible into the English system of raising revenue from a few articles of large consumption, such as tea, coffee, wine, spirits, beer, tobacco, sugar, spices, stamps, licenses, &c. ; while he would repeal all custom duties on other foreign articles, and all inland taxes on such as are of home production. He does not advocate any sudden or violent change, but would shape the future revenue policy of the country from a free-trade rather than a protectionist stand-point. We believe that it is possible to obtain all the revenue which the country needs from the sources which Mr. Atkinson points out ; indeed, we get almost enough from these sources already, and it would require a very slight modification of existing laws to get the rest. It is certainly desirable to get rid of most of the inland taxes which now hamper our productive industry. The system is complicated, irritating, wasteful of money, and corrupting of morals. No other legacy of the war is fraught with such danger to the independence of our people and the integrity of our political system. The reform must begin with a wider discrimination in the objects taxed. Abstract justice or perfect equality in the treatment of individuals is not to be attained. The nation as a whole is to be taxed, and, as Mr. Atkinson justly says, "the problem is so to levy the taxes as not to impede production." We would not, of course, countenance class legislation ; but in any system of taxation special regard must be had to its effect upon the poorer and most laborious classes. We must fight against the tendency to social degradation, which in older countries is the curse of highly taxed industry. Even England is greatly oppressed by this cause, and her domestic tranquillity imperilled ; we should be ruined by it. Taxes on realized property must necessarily be heavy. Incomes, licenses, stamps, legacies and successions, tea, sugar, all intoxicating beverages, and tobacco, may be taxed without impeding production. As the excise is diminished, customs duties may well decline without injury to the manufacturer, for his relative condition will not change. There is another tax, however, which

should not be forgotten in the repeal of customs duties, — that of a depreciated currency. It is now one of the heaviest which the country has to bear, and it is worse than any other, because it is latent, and to the common eye appears like a blessing rather than a curse. It is eminently the poor man's tax, for it depresses the purchasing power of his wages, while it exaggerates the cost of his living. The capitalist, on the contrary, gets a temporary benefit from it. It is this inexplicable discord between apparently high wages and positively increasing poverty which is now fermenting strife between employers and workmen, leading to strikes and eight-hour laws. We must return to specie payments before a lower tariff is possible; for the present scale of duties is not sufficient to prevent the foreigner from bringing goods to our market at a great profit, as he sells at paper prices, and turns the proceeds into gold at a price relatively much lower than that of his commodity. Nor must we suddenly abandon protection for its own sake. Congress must look to it that industries are not enfeebled by too long nursing; and as fast as each can fairly stand alone, the crutches must be taken away, and given, if need be, to some feeble child, which cannot walk alone; and this process must be steadily and judiciously pursued till as a nation we shall no longer fear the freest competition. This is protection justifying itself in the past, but looking and moving towards free trade in the future; and this we conceive to be the doctrine and the policy of the American people.

4. — *Das Militärsanitätswesen der Vereinigten Staaten von Nord Amerika während des letzten Krieges, nebst Schilderungen von Land und Leuten.* [*The Military Sanitary History of the United States of North America during the last War, with Descriptions of Country and People.*] By DR. H. VON HAWRONITZ, Imperial Russian Privy Councillor and General Sanitary Inspector of the Imperial Navy. Stuttgart: G. Weise. 1866. pp. 350.

THE Russo-American alliance is cemented by Mr. Seward's last performance. It was preceded by a series of mutual bowings and scrapings, of which Mr. Fox's visit was an example of our way of doing it, and Dr. Hawronitz's book is an instance of their manner of meeting it. Nothing could be more gratifying to the impartial American mind, with its wholesome love of sharp criticism and its modest self-abnegation, than the lavish praise which the Russian Doctor has poured over us. Sent here, as he tells us in his Dedication to the Grand Duke Constantine, by that great personage, this volume is the